

Management perception of service quality and customer satisfaction. Case: Concierge Service of the Bank X.

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Bachelor thesis
International Business
18 May 2016



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Degree programme Bachelor of Business Administration in International Business	
Report/thesis title Management perception of service quality and customer satisfaction. Case: Concierge Service of the Bank X.	Number of pages and appendix pages 49+3
<p>This Bachelor's thesis discusses the managerial view on the service quality and its relation to customer satisfaction in a case company. The objective of the study was to find ways to improve the service quality in the case department so that to strengthen its customers' satisfaction. The study was implemented for a commissioning party Bank X and its Concierge Service department. The commissioning party is located in Saint Petersburg, Russia.</p> <p>The study comprises the theoretical background and the empirical part. The theoretical part reviews such concepts as service quality, customer experience, customer satisfaction and loyalty in the second chapter, as well as the concept of affluent customer in Russia in the third chapter. Service quality and the following topics are discussed due to their relevance and importance to the concept and the function of the Concierge Service within the Bank X. The concept of the affluent customer in Russia is studied as the affluent clients are the primary target group of the Concierge Service in the Bank X, and the understanding of the client specifics is essential in this case.</p> <p>The research methods used in the study were qualitative, such as observation, the application of the company's internal documentation and personal interviews. Interviewing was the primarily important research method in the study. The research was implemented from the managerial perspective, so the key representatives of the company were interviewed.</p> <p>The empirical part presents the results from the research and the recommendations (development opportunities) for the client party. The Concierge Service department aims to ensure the clients' satisfaction with the service quality, so that to strengthen their loyalty to the Bank X. The Concierge Service's competitive advantage over its industry competitors is in the fact that it is able to quickly deliver highly customized and personalized service to its clients. The understanding of every client's lifestyle, needs, perceptions and expectations is the key to success and customer satisfaction. The recommendations for the Concierge Service include taking expansion opportunities; optimization of the service tangibles; mobile application development; ensuring continuous employees' and managers' expertise development and gaining expertise in new service order areas.</p>	
Keywords Service Quality, Customer Satisfaction, Affluent Customer, Concierge Service	

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1 Introduction

In this chapter the reader can get familiar with the background for the research, research problem and questions. Then, the demarcation and anticipated benefits of the study are discussed. Also, the key concepts and the case company are introduced to the reader.

1.1 Background

Nowadays, for every company in the market, one of the most important aspects of business operations is the relationship with the client.

Services business companies should be able to provide high-quality service to its customers to keep them satisfied and loyal. Through ensuring high-quality service and customer satisfaction the company can reach market success and gain its customer's loyalty over other competitors.

For any services company it is also essential to understand its target customer group. Some customer segments can be more demanding than others. For instance, affluent customer group may require special approach, increased attention and highly customized service.

The research work is commissioned for the Concierge Service department of the Private Banking in the Bank X. Private Banking deals with the most affluent clients of the Bank X and provides them with different financial services. The Concierge Service department is a part of the Private Banking department, and it was formed with a strategic goal to strengthen Private Banking clients' loyalty to the Bank X. The Concierge Service provides a variety of non-financial services, related to the clients' personal and business life. The primary idea behind the Concierge Service in the Bank X is that the clients will be involved with the Bank not only because of financial services, but also through other life-related services, which will deepen their relationship with the Bank X and will ultimately lead to their loyalty to the Bank X.

In researcher's opinion the Concierge Service department can implement the assigned strategic function only through provision of the high-quality service, which should lead to customer satisfaction.

1.2 Research Question

This thesis work aims to investigate the Concierge Service's service quality from the managerial perspective and determine potential development opportunities to improve the operations of the Concierge Service.

The research question can be worded as "How to improve the Concierge Service's service quality so that to ensure better customer satisfaction? "

The research question is examined through the following Investigative Questions:

- IQ 1. What are service quality standards and strategy in the Bank's Concierge Service?
- IQ 2. What is the Bank's managerial perception of the customer expectations of service?
- IQ 3. How Bank's managers perceive customer service experience?
- IQ 4. How customer satisfaction with the Concierge Service quality influences customer loyalty with the Bank X?
- IQ 5. What are the development opportunities for the Concierge Service of the Bank X?

Overlay matrix (Appendix 1) presents an overview of the theoretical framework, research methods and results chapters for each investigative question.

1.3 Demarcation

Service quality concepts and service experience are important to understand the customer satisfaction topic. Additionally, the topic of customer loyalty are reviewed due to the strategic function of the Concierge Service within Private Banking department.

Affluent customer segment is the key target customer segment for Private Banking of the Bank X and, therefore, for Concierge Service. Other customer segments are demarcated from the research.

The concept of the Concierge Service and its functions within Private Banking are discussed. Financial services of the Private Banking are demarcated from the study.

The researcher approached the research question and investigative questions from the (strategic) managerial perspective. The reasons for this focus of the research are elaborated in the chapter 4.

1.4 Anticipated Benefits

The researcher anticipates that the study will provide new insights for the management of the Private Banking and the management of the Concierge Service on how to improve the Concierge Service's service quality and operations. Private Banking managerial board is specifically interested in the analysis to be done by an external researcher with international perspective and a background different from banking industry. In the long run, the clients of the Concierge Service will also benefit from the improved service quality.

Additionally, there was little research done in this field, as the concept of the concierge service in industries other than hotel industry is relatively new. So, the research findings can be useful for professionals or anyone interested in this specific field. The researcher benefits through the unique opportunity to access private industry and discover managerial views on the topic, which will support her global strategic view on the way the department/company operates from inside. The researcher got this rare possibility to conduct the research in a very intimate industry due to her personal connections.

1.5 Key Concepts

Customer service is anything the company does in order to enhance and develop customer experience. It is important for the service provider to know his or her customer and strive to provide the high-quality customer service. (Harris 2014, 7.)

Service quality is the way the customer assesses the service: comparison of the actual received service with the initial expectations of the service (Bruhn & Georgi 2006, 446).

Customer satisfaction is the feeling of pleasure and contentment with the service/interactions with a provider. Customer satisfaction indicates the difference between the expectations and the perceptions the customer has regarding the service, which is delivered. In other words, customer satisfaction refers to the extent by which the customer expectations are met by the service provider. (Harris 2014, 7.)

Private Banking is assets gathering and managing business. To operate successfully, private banking needs to understand the goals and the needs of affluent investors, and achievement of this criterion is judged based on the capability of meeting those needs within a framework of a financial advisor relationship. The bank has to be able to find out its own specific way to the relationship with clients. (Chorafas 2006, 4.)

1.6 Case Company

Founded in 1990, Bank X is one of the largest banks of the Northwest region in Russia. Headquarters are based in Saint-Petersburg, Russia, however the local offices are operating in several other cities. Bank X owns a leading position in Saint Petersburg's financial services market and is ranked 14th among Russia's largest banks (Bank X, 2015).

Bank's Mission statement states: "We are setting the standards for a new service culture in the banking sector. We are building the best bank in St. Petersburg for our clients, employees and shareholders." (Bank X, 2015.)

The bank provides banking services (investments, credit programs, loans, wealth management) to the individual clients (B2C) and to the companies (B2B). The services are localized and focused in the Saint Petersburg and the Leningrad Region (the region around Saint Petersburg, including such towns as Viborg, Luga and Tihvin).

Private Banking department of the Bank X provides financial services to high-net-worth individuals who possess high level of income/savings. Every client of the Private Banking is supposed to purchase a service package to be served within the Private Banking. There are several types of the services packages of different price range and with different services options they include. Several services packages include the possibility to use the Concierge Service.

The Concierge Service of the Bank X is a small department of 4 employees, which operates under the supervision of the Private Banking department. It was established in 2011. The Concierge Service implements all kind of non-financial, lifestyle related requests from the clients. When the client acquires the relevant services package, the client of Private banking, as well as their close family members in some cases, are entitled to using the Concierge Service at their convenience.

The managerial problem which created a need for the research, is to find out if there is a way to improve the quality of service within the Concierge Service department operations, so that to improve clients satisfaction and strengthen their loyalty towards the Bank X. In the competitive environment of the banking industry in Saint Petersburg, clients are exposed to a wide range of banks, which provide a high-quality financial and in some cases similar non-financial service, so it is vital for the Bank X to gradually improve the service, so that to keep its customers.

2 Service Quality

Service approach to relationships with customers is applicable to any type of a company. Generally, service approach requires a firm to adopt an effective and profound service strategy. Today customers not only expect to get goods or services, but also they are interested in a more holistic service procedure, which involves pre-service reliable information sharing, service experience and post-service support. In highly competitive markets service concept, which plays either core role in the company's offerings or a supportive role for the main core product, creates a competitive advantage for a company if the service strategy is implemented effectively, and customers are satisfied. (Grönroos 2015, 8.)

The firm takes the position that its service offering is essential for the customer's value creation, and that the "core solution" alone is not sufficient for successful differentiation strategy from competitors. Total service offering includes physical product and service components, information, personalized attention and other elements of customer relationships so that the combination of all elements works as a tool for customer value-creation. (Grönroos 2015, 22.)

In some specific industries, such as consumer service markets (e.g. insurance) or industrial markets (e.g. banking, industrial equipment supplying), it is essential for a firm to build long-lasting relationships with its customers. A service and relationship management approach can ensure the emergence and support of continuous relationships with clients. In many cases individual treatment is required for every client, as any company should aim interact with every customer as an individual, not as a part of the mass. This way a company will be able to reach out the information about customer and his specific needs, and start building relationship bonds with them. (Grönroos 2015, 11.)

There are various approaches to define customer service. Fitzsimmons & Fitzsimmons (2004, 4) define it as "a service is a time-perishable, intangible experience performed for customer acting in the role of co-producer".

Grönroos (2015, 48) suggests that a service can be described as a process involving series of rather intangible activities that normally, but not necessarily always, occur during communication process between the client and service employees and/or physical resources or goods and/or systems of the service company, which resolve customer's problems.

According to Lovelock & Wirtz (2007, 15) services are economic activities offered by one party to another. These activities are supposed to bring desired and expected results to the customers in a timely manner for the customer's resources, such as time, money and effort.

Whether approach to service definition is taken, all services have specific characteristic and attributes. Grönroos (2015, 50) considers 3 basic characteristics for a service. The 1st one is a process nature of service, the 2nd is "inseparability" of service (the idea that service is at least to some extent produced and consumed simultaneously). Even though, in some services the largest part of service process is not visible to the customer, the visible part of the process is the one that matters the most, as the consumer decision-making is based on this experience. This means that quality control and marketing (activities in which the customer is not involved) should take place at the same time with service production and consumption, so that to ensure customer satisfaction. The 3rd characteristic of service refers to the customer who participates as a co-producer in the service production process at least to some extent: customer can be considered as a production resource for the service process. Without the customer the service cannot be produced.

Additionally, essence of service can be seen through a prism of service intangibility. Because of the high degree of intangibility and subjective perception of service as a "feeling" or "experience", customer may find it difficult to evaluate the service received. It is possible to make service more tangible by providing tangible/physical elements of service. Finally, services are heterogeneous. This means that every customer perceives and experiences the service differently. (Bruhn & Georgi 2006, 15.)

2.1 Service Framework

A company should develop specific standards for its service concept, so that the service promise a company makes to its customer will be tangible and concrete.

The number and specifics of service standards differ depending on the company and service's nature. Recommended maximum for corporate level of a large service-intensive corporation is 50 standards of excellence, which then can be narrowed to more detailed recommendations. These recommendations should include detailed guidance of what should be done and how it should be done. (Horovitz 2004, 54.)

It is important that the service quality standards and guidance are clear and transparent to all employees, are created by experienced and knowledgeable managers, are useful and

usable for referring in different cases and are renewed on regular basis. Grönroos (2015, 93) emphasizes that the service process nature is significantly complex and therefore the service provider needs to understand how the service is perceived and evaluated by customers in order to develop sustainable service management models and provide the desired quality of service.

Grönroos (2015, 96) introduced the total perceived service quality framework, which can be used as a conceptual guideline for managers to interpret customers' perception of service and the service features. Understanding of these fundamental issues, along with defining service quality, is needed before service quality development is made.

One part (on the left side) of the total perceived service quality model shows aspects that help to determine customer's expectations of service quality (Figure 1). It shows that traditional marketing activities have direct influence on formation of the expectations for service quality. In other words, the expected quality is influenced by a set of factors: marketing communication, sales, image, word of mouth/social media, public relations, customer needs and values. Marketing communication and sales should be under a definite control of the company, as they have a direct influence on forming customer expectations of the service quality. The firm can control image, social media and word-of-mouth only indirectly, nevertheless these factors require constant managerial attention. Additionally, customer's personal needs and values affect the expected service quality.

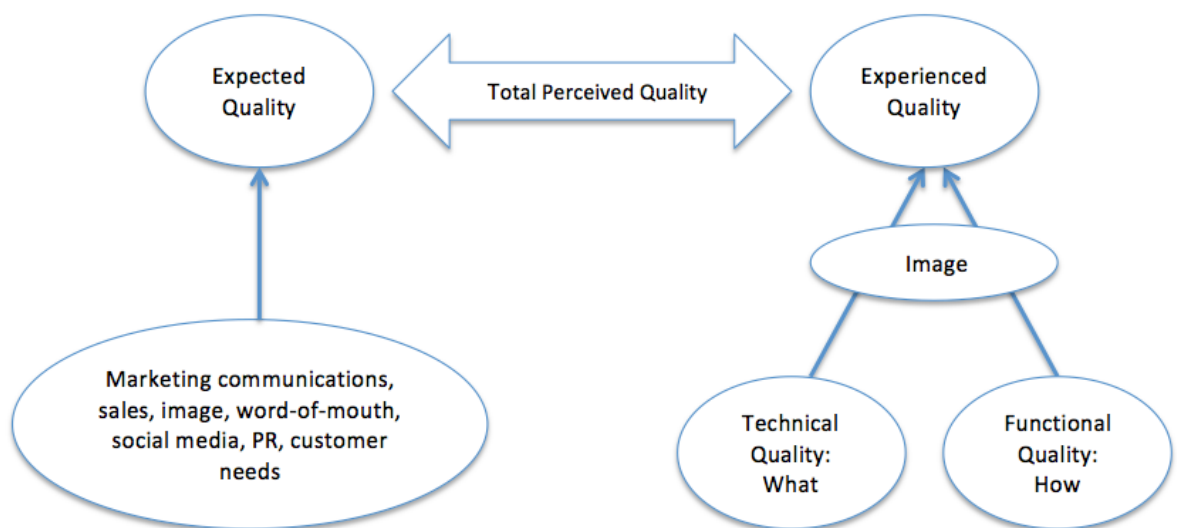


Figure 1. The total perceived service quality framework (Grönroos 2015, 99)

Another part (on the right side) of the model emphasizes that customers perceive the service experience in two dimensions (Figure 1). The first one is a technical outcome-related dimension, which states for the quality of service outcome, with which the customer is left after the service process is over. This dimension can be characterized as a technical solution to a problem and it is possible that customers perceive it objectively.

The second dimension, a functional process-related dimension, reflects how customers perceive the process or the way in which technical outcome is delivered to them. In the functional dimension the customer's perception may be influenced by such aspects as service provider's behavior, availability and novelty of infrastructure involved in the service process, service employees' performance, self-service options. In other words, the simultaneous production and consumption process have an influence on how the customer perceives the service quality through this dimension. (Grönroos 2015, 96.)

In some cases the customer is aware of the company's brand before the service purchase is made. Therefore, the "Image" element plays an important role, influencing customer's service quality perception. The image of the company serves as a "filter" for developing the perception of the experienced service quality, which is originally formed based on two service quality dimensions. (Grönroos 2015, 98.)

The framework's ultimate suggestion is that the total perceived quality is good when the customer experiences the service quality, which meets or exceeds his/her expectations of service quality. (Grönroos 2015, 99.)

In 1977 Parasuraman, Zeithaml & Berry developed one of the most applied attribute-based (describe features of the service) measurement models- the SERVQUAL instrument. This instrument was developed for services industry in order to measure perceived service quality.

Originally, SERVQUAL was based on ten dimensions (1985), which were shortened to five in later studies (1988). These five generic dimensions are considered as the basis for the service promise and are described as the following: Tangibles (tangible facilities, equipment and appearance of personnel), Reliability (service is provided as agreed upon or as marketed, in a timely manner, without mistakes), Responsiveness (willingness of employees to help customers and provide them with prompt service), Assurance (service employees' abilities to provide knowledge and courtesy during the service process and inspire customer's trust and confidence), Empathy (the firm's ability to understand custom-

er's requests and problems and provide him with relevant solutions, individual attention in convenient operating hours) (Gonçalves 1998, 133).

The SERQUAL instrument is based on a questionnaire that includes 22 questions on a 7-point scale (Appendix 2). Reliability dimension is considered to be essential for all services businesses, and Responsiveness dimension is considered to be the second most important. SERQUAL dimensions are useful for understanding of their importance in a particular industry or case. However, it is considered that additional research should be implemented to measure customer satisfaction and customer's evaluation of those dimensions, which they refer as important. (Gonçalves 1998, 135.) Additionally, SERQUAL is focused mainly on measuring intrinsic quality of service ("functional quality") and extrinsic service quality ("technical quality") (Wirtz, Chew&Lovelock 2012, 463).

Another useful tool for managers is the Gaps Model of Service Quality (Figure 2) that provides a possibility for managers to analyze the services strategy at a detailed level and improve the quality of service.

The upper part of the model is related to the User (or the customer), while the lower part is referred to the management (the provider) of the service. It can be derived from the model that Service expectations are formed based on the user's personal needs, previous experience of the service and his/her interpersonal communications. Also, service expectations can be influenced by the firm's marketing communications to users. "Service perception" is the experienced service is influenced by the set of internal decision and actions done by the management. According to the model, the managerial perception of expectations guides the specification of the service quality (standards), which is then implemented during the service production and delivery stage. The delivered service is experience by the user. The perceived service can also be affected by the company's marketing effort. (Grönroos 2015, 130.)

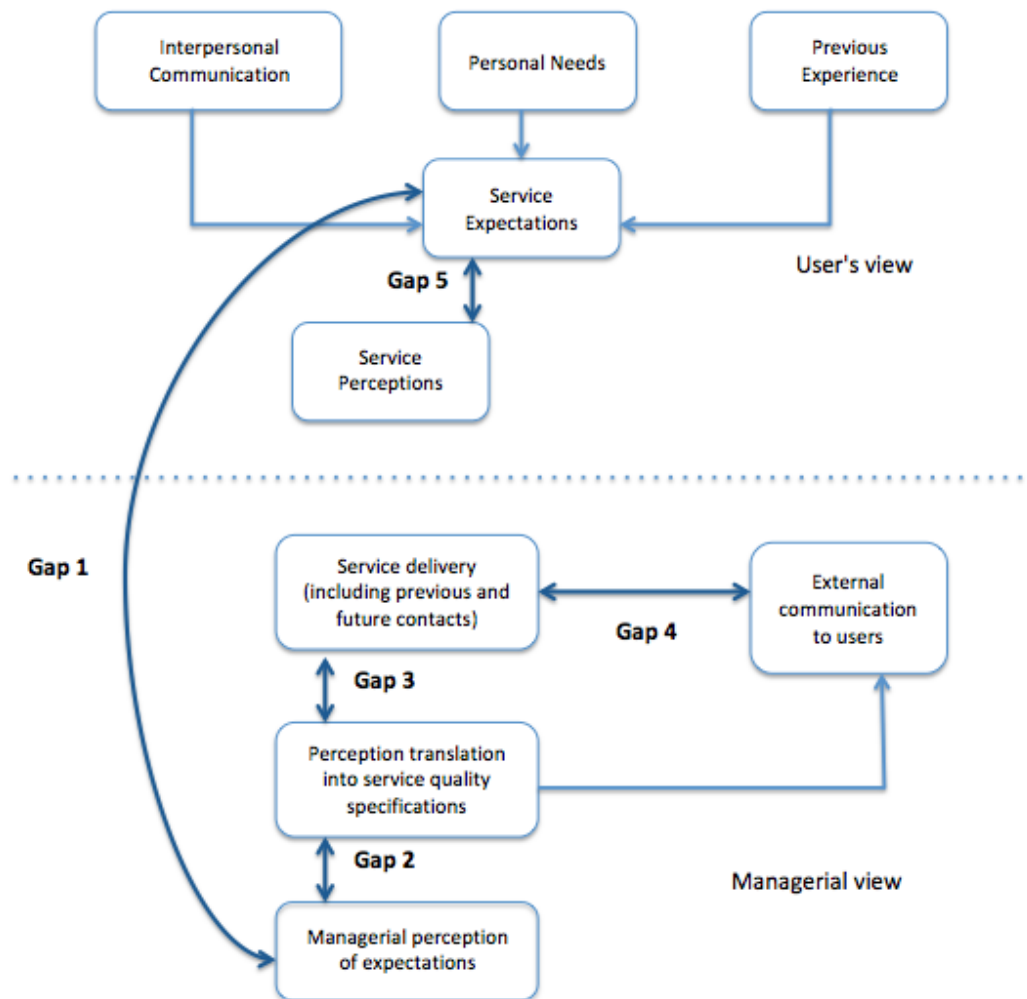


Figure 2. The Gap Model of Service Quality (Zeithaml, Bitner & Gremler 2009, 33)

This basic structure needs to be taken into consideration when developing and analyzing the service quality. The Gaps model can help to identify the service quality gaps that can occur during within the structure. The model suggests 5 Gaps.

The 1st Gap is the management perception gap: the gap between the managerial perception of the service quality expectations and the real service quality expectations of the customer. This gap may occur due to lack of the proper understanding of customer's needs and wishes, the lack of proper market research and the lack of feedback collection and analysis.

The 2nd Gap is the quality specification gap: the gap between the managerial perceptions of quality expectations and the service quality specifications, such as the service design

and service standards. This gap may result from the lack of service quality planning, management, lack of quality commitment among managers and employees.

The 3rd Gap is the service delivery gap: the gap that occurs when the delivered service does not meet the company's service standards. This gap can occur because of several reasons, such as the complexity of the specifications; employees' disagreement with them; specifications does not fit the corporate culture of the company; the lack of proper management of the service implementation; lack of relevant technologies to perform and deliver the service.

The 4th Gap is market communication gap, which can occur if the marketing communications are not consistent with the service quality delivered. This situation can occur if the marketing promises are based on the service specifications, which are not properly implemented (Gap 3), or if the company tends to do overpromising.

The 5th Gap is the perceived service quality gap, which occurs when the user's expectations are not met by the delivered service quality, experienced by him/her. This gap can be either positive or negative. The positive gap can occur, if the expectations are exceeded, while the negative one means that the expectations of the service quality were actually higher than the experienced one. The positive gap is not always a good sign for the company, as the lower expectations can be shaped based on the negatively affected company's image or bad word of mouth, a situation, which the company is not aiming for. The negative gap can occur due to marketing overpromising and/or previous positive experience. (Grönroos 2015, 133.)

2.2 Customer expectations

According to the total perceived service quality model described in the previous subchapter, there are several factors that influence the expected service quality. Understanding of these factors that affect and determine the customer expectations is essential for managers so that to provide customer the service experience of relevant quality that will lead to satisfying total perceived quality. Customer service quality expectations are discussed in this subchapter.

According to Horovitz (2004, 4) customer expectations are rooted to the customer needs and perceptions. The author gives two categories of needs: explicit and implicit. Implicit needs can be described as those needs, which are often implied to the service/product provided or, in other words, are the service features. They require effort and control from

the service provider, while the customer can take their presence “for granted” (e.g. hot water in the hotel room), while their absence is likely to cause dissatisfaction. Explicit needs are generally related to the perceived benefits of the service/product.

Needs turn into perceptions, which to a certain extent evaluate how the service can resolve the need. Perception is influenced by psychological, physical and image filters.

Psychological filter's elements are represented by the customer's memory, beliefs, values and knowledge. The customer's perceptions can be positively altered through psychological filter's elements in case the service provider manages these elements with hospitality, client's education, and adaptability, and accept that the slow change of customer's beliefs.

Physical filter's elements may improve or depress customer's perception. Those elements are represented by the level of quality of service/product, level of reliability and by genuinely physical elements of the service: sights/location, technologies, hospitality.

Image filter is primary based on how the company positions itself as a brand and how it communicates its brand values to the customers. Formal communication, such as advertising or public relations campaigns, will be beneficial for the services business, so that the client perceives the intangible (service) as more tangible. (Horovitz 2004, 7.)

Perceptions are modified into expectations. While perception is a subjective opinion of the customer, expectations are formed under the influence of several factors, such as: similar or/and past experience, price paid and communications, marketing by the service provider. (Horovitz 2004, 9.)

According to Wirtz, Chew & Lovelock (2012, 45) expectations are formed based on the information searches in the service pre-purchase stage¹, as well as on evaluations of alternatives. Those customers who do not have any previous or similar experience with the service may form their expectations relying on the word-of-mouth information. Also, customers tend to rely on the price as the tool for forming expectations: the higher the price for the service- the higher the expectations. Expectations may change over time due to a variety of factors, such as improved performance of the firm, strong marketing communications strategy or, alternatively, poor performance, increased price etc. Nowadays due to

¹ Wirtz, Chew & Lovelock (2012, 36). The three-stage model of service consumption: 1.Pre-purchase stage 2. Service encounter stage 3. Post-purchase stage.

availability of the Internet customers tend to be generally more informed than ever before on what service level to expect.

Zeithaml, Berry & Parasuraman (1993, 4) introduced several factors that influence of customer expectations regarding the service:

- Desired service is the service, the customers wish to receive. Desired service expectations can be realistic and unrealistic. They are formed based on personal needs of the client, her beliefs about what is possible, as well as on the explicit and implicit promises of the service-provider, word-of-mouth and previous experiences.
- Adequate service is the minimal service level that the customer is able to accept from the service provider to be satisfied with the service. Adequate level of service is formed based on perceived service alterations and situational factors.
- Predicted service is the level of service that the customer expects to be provided, which is based on the desired and adequate service expectations.

The company should aim to develop a positive, but realistic image of its service, so that the client forms reasonable expectations of the “desired” service. Then, the company should be able to identify what is the client’s “predicted” service level and be able to consistently deliver it to the client.

The business should aim to achieve consistent quality of service provided, however, it is unavoidable that service quality may slightly vary. Zone of tolerance is the gap between desired service and adequate service, and, in other words, is the degree to which the customers are willing to comply with variations in the service quality level. Identifying the extend of the zone of tolerance for each specific customer or customer segment may develop additional benefits to the service provider.

2.3 Service experience

Another important element of the total perceived service quality model is the experienced quality. Service experience that customer receives is discussed in this subchapter.

Shaw & Ivens (2002, 6) define the customer service experience as “a blend of a company’s physical performance and the emotions evoked, measured against customer expectations across all moments of contact”. According to Payne (2006, 193) the company needs to understand the processes that customer is experiencing during the whole service process, so that to identify the possibilities to add value during those processes. In order to create value the organization can reorganize the processes to be more effective, implement them more efficiently and/or cheaper.

Service encounter is the time, when the customer directly interacts with the service provider. Depending on the complicity of the service process, there may be from few to many service encounters, with every encounter contributing to overall clients' impression and satisfaction. All encounters provide the opportunity for the company to strengthen its client's satisfaction and loyalty, and therefore every single encounter is equally important for the organization. Service Encounters can be classified into the following types: remote, phone, face-to-face. (Zeithaml, Bitner & Gremler 2009, 120.)

Remote encounters normally happen when there is no direct human interaction, for example, via mail, online or SST (self-service technologies). Technological implementation becomes the measure for the service quality judgment. In some companies, the most frequent mode of operations is via phone, therefore phone encounters play an important role in the service process. Service employees' knowledge, efficiency and hospitality are the basis for the quality measurement on this encounter. The face-to-face encounter occurs directly between the customer and the service provider. In this case, both verbal and non-verbal communication issues make an effect in the service quality measurement. Additionally, within this encounter the customer is more interactively involved in the service process herself than in other encounters. (Zeithaml, Bitner & Gremler 2009, 123.)

Bitner (1993) identified three main categories of service evidence, which the customer generally experiences: participants, process and physical evidence. Combined together, these elements make the service tangible to a certain extent.

The Participants category includes service employees (internal customers), service buyers (external customers), as well as other customers, which may be involved (Gonçalves 1998, 38). The Process category applies to the general flow of all service activities, all process steps, customization and standardization of the service provided, automation and human interaction. Alternatively, the Process category can be described as the supporting services and the service delivery. The service delivery can be implemented in three ways: at buyer's location, at the store/office or via electronic means (Gonçalves 1998, 40.) The Physical evidence (or Tangibles) category refers to tangible interactions, servicescape², technologies, website. These elements are important for managing the customer interaction with all the encounters and customer satisfaction.

² Servicescape is the physical location where the implementation of service takes place (Bruhn & Georgi 2006, 447).

Gonçalves (1998, 44) emphasizes the importance of tangible elements (tangibility) of services as the highly intangible services (with little or no physical evidence) can be perceived as more risky compared to highly tangible (sufficient physical evidence) or partly tangible (some physical evidence) services. Also, price of the service has a big effect on the perceived level of risk, besides its tangibility/intangibility levels. Therefore, Gonçalves (1998, 46) suggests that tangibility, risk and price of the service should be viewed together when examining the particular service offering.

In certain industries tangibles of the service can make a significant effect on influencing the customer's perceptions and behaviors, satisfaction and loyalty. In this cases service tangibles play a role of quality signals. For example, the bank's customer can expect bank employees to be dressed in a certain way, which will be a sign of professionalism and will create a specific image and atmosphere. (Bruhn & Georgi 2006, 319.)

Undoubtedly, quality signals will not create an ultimate service quality measure as they provide no opportunities to measure, for instance the competences of employees, but they can be very relevant for sustaining image and positively affecting customer's perceptions. Moreover quality signal can be specifically influential with potential clients, as they had no previous experience with the service provider and have not faced other service encounters yet. Additionally, the appropriate service environment affects service employees. (Bruhn & Georgi 2006, 320.)

Three types of service tangibles are identified. The first one is the service scape, which stands for the physical location where the service takes place. It consists of three elements: the design of the service scape (furniture, technical equipment), employees (dress, physical outlook), ambiance (atmospherics: visual, aural, olfactory, tactile elements). (Bruhn & Georgi 2006, 321.) The second type is the service environment, which refers to the general environment of the service location (accessibility of location, outdoor design). The third type is service materials, which are used in the service encounter. Usually, they perform supplementary function in the service process. (Bruhn & Georgi 2006, 322.)

2.4 Customer satisfaction

If the company has a good understanding of customer expectations and is able to provide its customers with sufficient quality of service experience, than the customer is likely to be satisfied with the total perceived service quality. Customer satisfaction is discussed in this subchapter.

Customer satisfaction with the total perceived service quality is generally influenced by a variety of service features, service quality perception and expectations, price, personal and situational factors.

Customer's evaluation of the service features has a considerable influence on customer satisfaction. The service provider needs to define service features, estimate customer's perception of these features and their influence on customer's satisfaction. Example of service features can be: service price, hospitality of employees and/or level of customization. (Zeithaml, Bitner & Gremler 2009, 105.)

The customer needs to feel that he/she is served and treated in fair and equal conditions with other customers. In addition, the customer's own perception of the service environment and service features can be often influenced by other people's perception (e.g. family members, colleagues).

Storbacka & Lehtinen (2001, 80) suggest that even though in many cases the relationship between service quality and customer satisfaction is linear (meaning that service quality perceived as "good" by the customer will lead to the customer satisfaction), there are other cases when relationship between service quality and customer satisfaction is not linear. For example, a situation when improvements in quality do not lead to customer's satisfaction improvements, however if the quality is below a certain level will cause the satisfaction level drop. Therefore, quality should be sustained in a certain level, while there is no need to improve it over this level. Another example is a case when improvement or fall in quality level does not influence the satisfaction level or a situation when the improvement in the service quality can improve satisfaction, while a small drop in quality will not significantly affect satisfaction.

The competitive advantage of the company in today's competitive environment is not only in delivering top-quality service, but also in building long-term relationships with the customer, which are based on mutual interest and faith. Long-term relationships generally require the customer to be loyal to the firm. (Payne 2006, 195.)

Customer satisfaction with the service quality can be seen as a prerequisite for customer loyalty, as the more satisfied, pleased and delighted the customer is, the more likely he/she is to enter into a long-lasting relationship with a company (Wirtz, Chew & Lovelock 2012, 370).

Some studies have shown that customer satisfaction does not necessarily make the customer loyal, and in the opposite way, in some cases customer loyalty is not a sign of customer satisfaction. Satisfied customer may easily switch to another service supplier because of price, new opportunities or variation, while loyal customer to a certain company may stay with the company only because he/she does not see better opportunities in other companies within the industry or certain geographical location. (Storbacka & Lehtinen 2001, 82.)

However, a variety of studies show that increasing levels of customer satisfaction lead to increasing levels of customer loyalty, so the importance of the customer satisfaction should not be underestimated (Zeithaml, Bitner & Gremler 2009, 109).

2.5 Customer loyalty

In the case company the service concept itself (the Concierge Service) is considered to be a strategic advantage to develop customer loyalty. It is expected by the management that the service quality level should lead to customer's satisfaction, which will lead to the customer's loyalty. Therefore, customer loyalty is also discussed in this chapter.

Customer loyalty is an emotional and attitude-based preference resulting in the behavior of spontaneous personal recommendation and/or purchase. It is more rational and less emotional state than customer satisfaction (Robinson & Etherington 2006, 5).

Horovitz (2004, 103) emphasizes different reasons why organizations want to have a loyal customer base. In many cases the cost of attracting new customers are higher than keeping existing ones; loyal customers will bring new customers; loyal customers will buy more and more often.

Customer loyalty requires long-term and cost-effective relationship building with customers. Understanding of different customer tiers can help the company to provide relevant service levels to meet different tiers' needs and expectations (Figure 3).

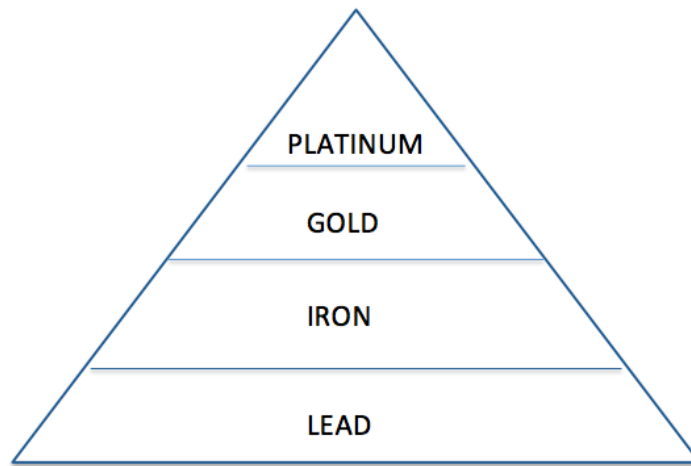


Figure 3. The customer pyramid (Zeithaml, Rust & Lemon 2001, 119)

“Platinum” tier refers to a tiny number/percentage of the company’s customers. However, they are very profitable as they use the service regularly and heavily. Generally, they are less price-conscious, and expect high level of quality and customization.

“Gold” tier refers to a larger number/percentage of customers than “Platinum”. “Gold” clients are slightly more price sensitive and slightly less devoted to a firm, nevertheless are referred as a profitable tier.

“Iron” tier create a customer base. Large numbers of “Iron” tier customers create economies of scale that supports organization in serving top-tier customers. “Iron” tier itself is marginally profitable. Usually the company does not provide it with special treatment, other than basic.

“Lead” tier customers generate low revenues, however they should be served on the same level with “Iron” tier customers, as they have potential to enter “Iron” tier.

The goal is to make and keep Platinum and Gold customers loyal. (Wirtz, Chew & Lovelock 2012, 369.)

In order to develop customer loyalty, besides continuously delivering excellent service quality and ensuring customer satisfaction, companies can develop a variety of loyalty programs to keep customers. These strategic programs may focus on developing customer relationships, loyalty rewards schemes or developing higher-level bonds. (Wirtz, Chew & Lovelock 2012, 372.)

Financial rewards (“hard benefits”) have financial value for the customer, e.g. discounts, loyalty program rewards (e.g. flier miles in the airline industry), cash-back programs. Financial rewards frequently lead to improving the customer’s perception of the service provider’s value proposition.

Service provider's partnerships with other companies, especially with brand name, can play a beneficial role for the company's image and can boost clients' satisfaction with the core service. (Wirtz, Chew & Lovelock 2012, 373.)

Non-financial awards ("soft benefits") cannot be easily measured in financial terms. Recognition and appreciation, customization of service according to special needs and requests, provision of important, elite status as of high-tier customer, special treatment and other soft benefits can make a great impact on customers' loyalty. These non-financial rewards can be more powerful than financial in relation to top tier customers. Additionally, some non-financial rewards are impacting the relationship building with the customer, and it is difficult for competitors to copy that. (Wirtz, Chew & Lovelock 2012, 374.)

Higher-level bonds can create long-term competitive advantage for a service provider. Social bonds are based on personal relationships, are harder to build and require longer time, however, are harder for competitors to imitate. Customization bonds refer to successfully providing customized service to loyal clients. Customer may get used to a highly customized service, a situation, which will make switching to another supplier difficult and dissatisfying. (Wirtz, Chew & Lovelock 2012, 376.)

In order to develop deeper customer relationships companies apply "bundling" and services cross selling. For example, banks use the strategy of selling packages of services to a client, so that the client is "bundled" to a particular bank. This creates additional exit barriers to the customer, and he/she is less likely to switch to another bank.

Additionally, there is a value for the customer to acquire services from a single provider, as having all relevant services done by one company can be less time-consuming, less stressful, better service can be provided, and the relationship tiers with the provider will be built. Relationship tiers are particularly important for the customers in some specific industries (e.g. banking). (Wirtz, Chew & Lovelock 2012, 373.)

3 Affluent customer in Russia & Concierge Service

In order to better understand customers' perceptions of service experience and customer's expectations of service quality, it is essential for the company to understand its customer's profile. Then, the service strategy built on properly investigated understanding of the customer's needs and expectations can bring a true value to the customer and to the service-provider. The specifics of the case company's target customer group are discussed in this chapter. Also, the nature of the Concierge Service concept and its relation to the target customer group is introduced.

3.1 Society perspective

Social class can be seen as a continuum: set of ranges in a society where every individual occupies a particular step. Researchers and practitioners use the concept of social class to define the individual's or clients' position in a given society, so that to better understand his behavior as a consumer or a particular demographic group representative.

Schiffmann (2007, 359) defines social class as a segmentation of individuals into a hierarchy of diverse status indicator groups, where individuals assigned to a particular group share similar status characteristics, while members of different groups have stronger or weaker status.

The concept of social status may help defining social class, as some researchers measure social class of an individual by the rate (amount) of social status this individual has compared to representatives of other social classes (Schiffmann 2007, 360). There is a direct connection between social class/ social comparison theory and status consumption. Status consumption occurs when individuals engage into consumption in order to boost their social class positioning via acquisition of new, relevant to the desired social class, possessions. (Schiffmann 2007, 361.)

The social comparison theory suggests that individuals tend to compare themselves to other individuals based on their material proprietorship, and in this way define their social class standing. Therefore, according to the theory, status is highly associated with individual's purchasing power or her discretionary income. Individuals that have less purchasing power tend to have lower status and occupy a lower step in the social class hierarchy. People who have similar purchasing power and possessions, tend to have similar status level and social class standing. In some cases, individuals of one social class may compare themselves to individuals of a lower social class. This process is called down-

ward comparison, as this action boosts upper class individuals' self-esteem. Alternatively, influential media commonly imposes the upward comparison, so that to make a representative of a lower social class feel inferior and create a desire to get into the "idealized" group. (Schiffmann 2007, 359.)

3.2 Affluent customer

Affluence can be normally referred to the higher social class and brings an individual a stronger social status. For companies that deal with affluent customer segment it is essential to understand certain characteristics, which specifically distinguish an affluent customer from any other. These characteristics will be discussed in this subchapter.

An affluent consumer can be defined as the one who has a large share of discretionary income, which allows his/her spending in the luxury and premium goods and services markets (Schiffman 2007, 373).

Sanders & Tsimakhovich (Atwal & Bryson 2014, 71) suggest four important factors characterizing affluent market in BRIC (Brazil, Russia, India, China) countries. These factors are economic potential, sociological change, sociocultural dimension and consumer ethnocentrism & country of origin factors. Economic potential factor stands for the ability and desire of the population to buy luxury goods and services. Sociological change factor refers to the emergence of the middle class with aspirations for luxury goods/services. Sociocultural dimension factor emphasizes the way that people respond to luxury products based on their cultural perceptions is rather similar among BRIC countries: luxury goods are important in emphasizing an individual's status standing. Consumer ethnocentrism (CE) stands for the consumers' attitude that goods from their own country are better than from another country. CE is considered to be rather low in BRIC countries, while the country of origin effect factor (CoO) is important for customers, when making a purchase decision, meaning that people prefer luxury goods from abroad and pay attention to the location of production/brand origin. (Atwal & Bryson 2014, 71.)

Even though, affluent consumers of the BRIC countries may share a lot of common characteristics in relation to consumption of luxury goods and services, there are cultural differences in every country that are important for understanding when designing service strategy and approach to a specific customer group, as culture has a direct impact on the way customers assess the service and use it (Zeithaml, Bitner & Gremler 2009, 69).

3.3 Characteristics of affluent customer in Russia

Affluent customer group has different behavioral traits within different cultures, and for the purpose of this research, the Russian market will be taken into a closer investigation in this subchapter.

The tendency of excessive consumption of luxury and premium goods by Russian consumers appeared after the economic revolution in 1991. The gap between poor and ultra-rich citizens greatly increased, the market became open for inflow of Western goods, services and lifestyle, and the cast of “new rich” people appeared. “New rich” were ultra-rich people, which became rich in fast ways by taking risks in the state of adjustable economy. (Kapferer & Bastein 2012, 135.) Additionally, during the communist era, there was a very limited number of western goods in the market, which created a strong consumer desire for owning them.

Luxury and premium goods/services are seen as symbols of prestige related to the brand and/or to the price. Prestige boosts the respect among the peer group of buyers. Rarity is equally important, as rare and unique goods/services (technologies, cars) can act as an indicator of the rarity of the owner. (Kapferer & Bastein 2012, 136.)

Yadernaya (Atwal & Bryson 2014, 67) defined four types of affluent consumer in Russia based on the psychographic characteristics, which may help the company to understand the motivations and behavior of the Russian affluent customers.

“Conventional” type includes second or later generation of affluent customers, can pay high price, but expect descent service, brand-loyal, expect to have establish relationship with the brand/store, require customized and tailor-made products/services. “New Luxury” type includes new entrants on the luxury market, can be representatives of creative industries, entrepreneurs, middle and top managers of large enterprises. They may look out for more innovative brands, and shop for self-expression in the first place, not for the sake of “status” symbolism. “Hedonist” type is engaged with trends, and is rather price-sensitive. “Aspiring” type includes middle, upper-middle class customers, tend to spend money consciously, buy luxury goods to highlight their status and look more prestigious among their social group members.

Another typology of Russian affluent clientele was introduced by Kulikova & Godart who identified the following types of affluent customers in Russia: Ultra high wealthy individuals (“oligarchs”), Highly successful entrepreneurs & top managers, Entrepreneurs & middle

management, Political elite, representatives of Russian bohemian class, Family members of rich people living with support of the latter, Occasional customers (Atwal & Bryson 2014, 54).

Target clients of the case company are mostly two groups: (1) Highly successful entrepreneurs & top managers and (2) Entrepreneurs & middle management. Also, (3) family members of the client are served in some specific cases.

Kulikova & Godart suggest the following characteristics for these affluent types. The 1st group is characterized as those who value their time, are highly career-oriented and success thriving. They normally have good understanding of luxury industry, value quality products and strong brands. They invest in real estate, jewelry, art and enjoy travelling, exclusive branded goods, exclusive alcohol. The 2nd and the 3rd groups are supposed to be concerned with status emphasizing elements, invest in their “look” to support their status. The 3rd group specifically tends to be interested and involved in travelling and leisure activities. (Atwal & Bryson 2014, 54.)

In summary, Russian affluent customers enjoy their social class standing and generally like to emphasize it through their lifestyle and consumption. Different types of affluent customers in Russia can be identified. While they have quite different consumption drivers and consumptions scope, they all enjoy and invest in luxury brands and items, which strengthen their image and status.

3.4 Russian affluent market trends

There is an obvious potential for the development of the luxury goods and services market in Russia. Some of the influencing factors and recent market trends are discussed in this subchapter.

According to Sanders & Tsimakhovich (Atwal & Bryson 2014, 74), an important sociological trend that will support the luxury goods and services market in Russia is the emerging middle class, which is estimated to comprise approximately 20% of the population. Even though, it can be argued that income levels of the middle class in Russia cannot compete with the income levels in Western countries, the disposable income (income after household expenses are paid) is high in Russia, which makes the buyer power of the middle class strong, supported by their cultural and social aspirations, which are related to the historical background.

One of the Russian traditional cultural traits, emphasized by Sanders & Tsimakhovich (Atwal & Bryson 2014, 75) is gift-giving, which has a direct impact on luxury market, as a variety of occasions where a gift is preferable and desirable creates a strong demand for luxury goods and services market.

Geographically Russian luxury market activities are concentrated in two main locations: Moscow and Saint Petersburg, which offer a broad selection of luxury goods and services (Atwal & Bryson 2014, 79). Moscow accounts for 60-70% and Saint Petersburg for 10-15% of the market (Atwal & Bryson 2014, 50). This market focus occurred due to the target customers concentrated within these two locations.

One of today's and future tendencies for the Russian affluent market is that Russians are entering the market of experiential luxury. Not only materialistic side of luxury will be desired, but also luxury and premium experiences and services, for instance, exclusive winery visits or customized travel experiences. This tendency will also include buying rare art. (Kapferer & Bastien 2012, 137.)

3.5 Concierge Service

The move towards the market of experiential luxury (e.g. travelling, exclusive experiences, buying works of art etc.) and the specific characteristics of target affluent customer group (e.g. busy business schedule and lack of free time) create the potential demand for the Concierge Services. The concept of the Concierge Service in the Bank X will be discussed in this subchapter.

The term "concierge" comes from "Comte Des Cierges" (French), which stands for "the keeper of the candles". Concierge service concept originates from the hotel industry. Traditionally, concierge service in a hotel deals with all the requests of hotel's guests related to their stay in a hotel/town". (Devantier & Turkington 2007, 71).

However, the concept soon has spread to different industries in the corporate world. There is a variety of independent concierge services companies, which provide concierge services to its clients, who have purchased the membership to use the service. These companies deal with all kinds of lifestyle requests (e.g. Quintessentially Group; Prime-Concept), some concierge service companies provide the niche-oriented services, such as medical, travel or insurance services (e.g. International SOS). Several product brands use concierge service for their clients as a part of their exclusive branded service strategy (e.g. Vertu Concierge for owners of Vertu phone). Also, banks start to introduce concierge

service departments in order to meet its clients specific needs and boost client's loyalty (e.g. Citi® Concierge), while financial services companies introduce concierge services as a part of their loyalty programs based on their credit cards relevant ranking (e.g. MasterCard Concierge Service; Visa Signature Concierge).

General principle of operations of any concierge service is that the client purchases a right/membership for using the service, and then is responsible for payments for the orders he/she makes. The concierge service company then receives the commission depending on the order type and scale.

Potential clientele of concierge services are people, who want to enjoy the following anticipated benefits of using concierge service: time-saving, ability to focus on the most important personal and business tasks, stress-reduction, complex tasks implemented by professionals, rare goods/services search, access to special offers and discounts through partnership networks, personalized service approach. In most of cases the frequent users of concierge services worldwide are representatives of the affluent segment.

The Concierge Service of the Bank X was established in 2011 as a strategic tool to support Private Banking clients' loyalty to the Bank. The idea behind this strategic approach is the importance of building trusted relationships with clients, through providing them with not only traditional financial banking services, but also with highly-customized service in all spheres of life. Concierge Service is responsible for a variety of activities, such as organization and management of personalized travel tours and business trips; booking and delivery of airline/railway tickets, hotels; rental of private jets, yachts, cars; booking of tickets for various entertainment and sport events in Russia and abroad; organization and management of private occasions (wedding ceremonies, anniversaries, business meetings); release of own newsletter journal about the most interesting and relevant occasions in Saint Petersburg; provision of all types of insurance services through partners; consultancy service on education abroad; support in acquisition of antiques and works of art; support & delivery service in wine collections creation; organization and management for health services and health tourism in Russia and abroad; ordering and delivery service for premium, customized, rare goods (Concierge Service Internal regulations report, 2016).

According to Concierge Service internal statistics data, in 2015 concierge service received 795 orders for airline/railway tickets, 307 tourism-related orders, 296 entertainment-related orders, as well as orders in spheres such as consultancy services, insurance, private jets rental and other services. Figure 6 shows the Concierge Service order types in percentage, indicating that Airline/railway tickets, Tourism and "Other" category

were the most popular order categories in 2015. The total number of orders in 2015 was 2243 orders, which indicated the 1,3 % increase in number of orders from 2014 and the 16,2% increase from 2013. (Figure 7).

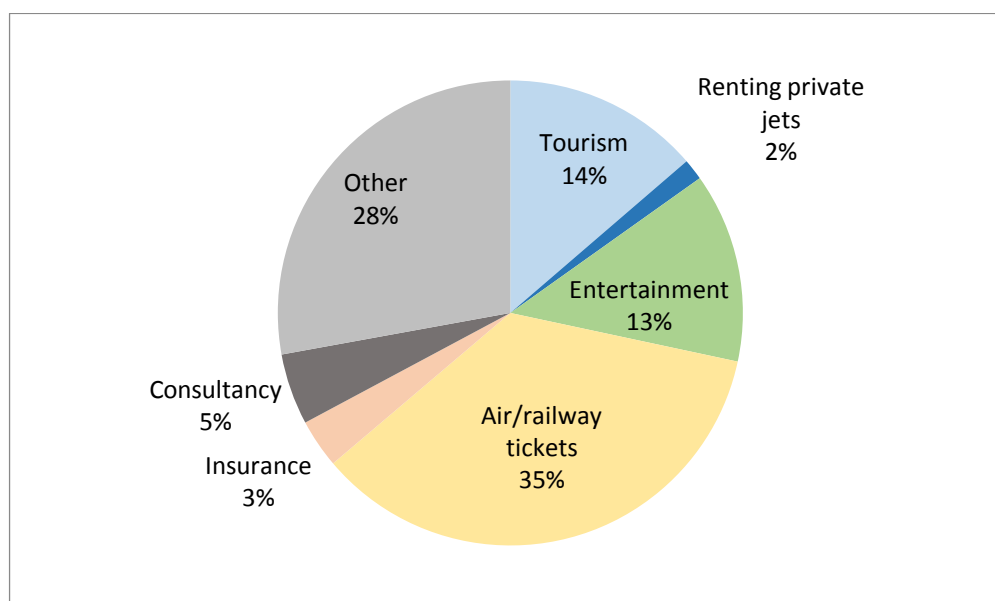


Figure 6. The Concierge Service Order Types 2015

Number of requests for service 2013-2015			
Service type	2013	2014	2015
Tourism	310	375	307
Renting private jets	17	48	33
Entertainment (tickets)	224	311	296
Air/railway tickets	637	831	795
Insurance	72	61	76
Consultancy	92	91	111
Other services	527	496	625
Total:	1879	2213	2243

Figure 7. The number of requests for service 2013-2015 (Concierge Service performance indicators internal report of Bank X 2015)

Clients acquire the right to use concierge services through the Private Banking services package they may wish to acquire. These service packages include primarily Private Banking financial services and the right of using the Concierge Service. The packages are offered to the clients by their Personal Managers in Private Banking. Some clients may purchase the service package only for financial services and initially have no interest in the Concierge Service. The assigned function of the Personal Manager is to be educated about the opportunities the Concierge Service can offer to its clients and be able to intro-

duce this service opportunity to the client. Additionally, the client who purchased the service package for the first time, is contacted the Concierge Service's employee, who makes an introduction of the service and gently invites the client to make an order anytime he/she wants/needs to.

In 2015 the total number of 124 (out of 532 Private Banking clients) clients possessed the service package, which allowed them to use the Concierge Service (Figure 8). There are 45 clients that were classified by the Concierge Service management as "regular" (or "active"). According to the Concierge Service's internal reporting, these 45 clients used the service more than once a month, which includes those clients who use the Concierge Service, for instance, only twice a month or even twice a day. Then, there are 42 clients who are considered to be less frequent customers use the service less than once a month. Also, 37 clients own the concierge service package (have the right to use the Concierge Service), but do not use it. The Concierge Service can operate additionally with single orders from the Private Banking clients, who do not own the right to use the Concierge Service. These clients are not included in the statistics.

Clients	Number	% of total
Clients, who use concierge service more than once a month	45	36,3
Clients, who use concierge service less than once a month	42	33,9
Clients who do not use concierge service	37	29,8
Total:	124	100

Figure 8. Client classification (Concierge Service performance indicators internal report of Bank X 2015)

The special attention to the regular clients (45 clients) is paid. As they use the service often for requests of different scale, the concierge service also accept request coming from the close family members of the client. Communication through the client's personal assistant is also common. Some of the clients are based abroad or travel for business purposes regularly, so they make orders on international scale.



Figure 5. Concierge Service Theoretical Concept Model

Figure 5 presents the overview of the discussed theoretical topics regarding the Concierge Service. In the center of the Figure 5 there is the Concierge Service concept, which is influenced in the case study by several topics. On the one hand, there is the customer perceived service quality concept discussed in Chapter 2, and on the other hand, there is the topic of affluent customers, their needs and expectations, discussed in Chapter 3. It is essential for the Concierge Service management to have a deep understanding of the typology of the clients and the way they perceive the service quality.

The Concierge Service concept in the case company is developed based on the specific service standards, which guide the Concierge Service employees and the partners' operations, so that to ensure the proper service quality is delivered to the clients.

The client makes an order through the Concierge Service, and then experiences the service delivered. If the experience is positive, the client is likely to be satisfied with the service, which can ultimately lead to the customer loyalty with the Concierge Service and with the Bank X.

4 Research Methods

The research methods involve different qualitative research approaches as the data that is needed to be collected is of a qualitative type. Qualitative research collects, analyses, and interprets data by making an observation of what people do or say. The findings appear in a qualitative or nonstandardized form. (Burns & Bush 2010, 235).

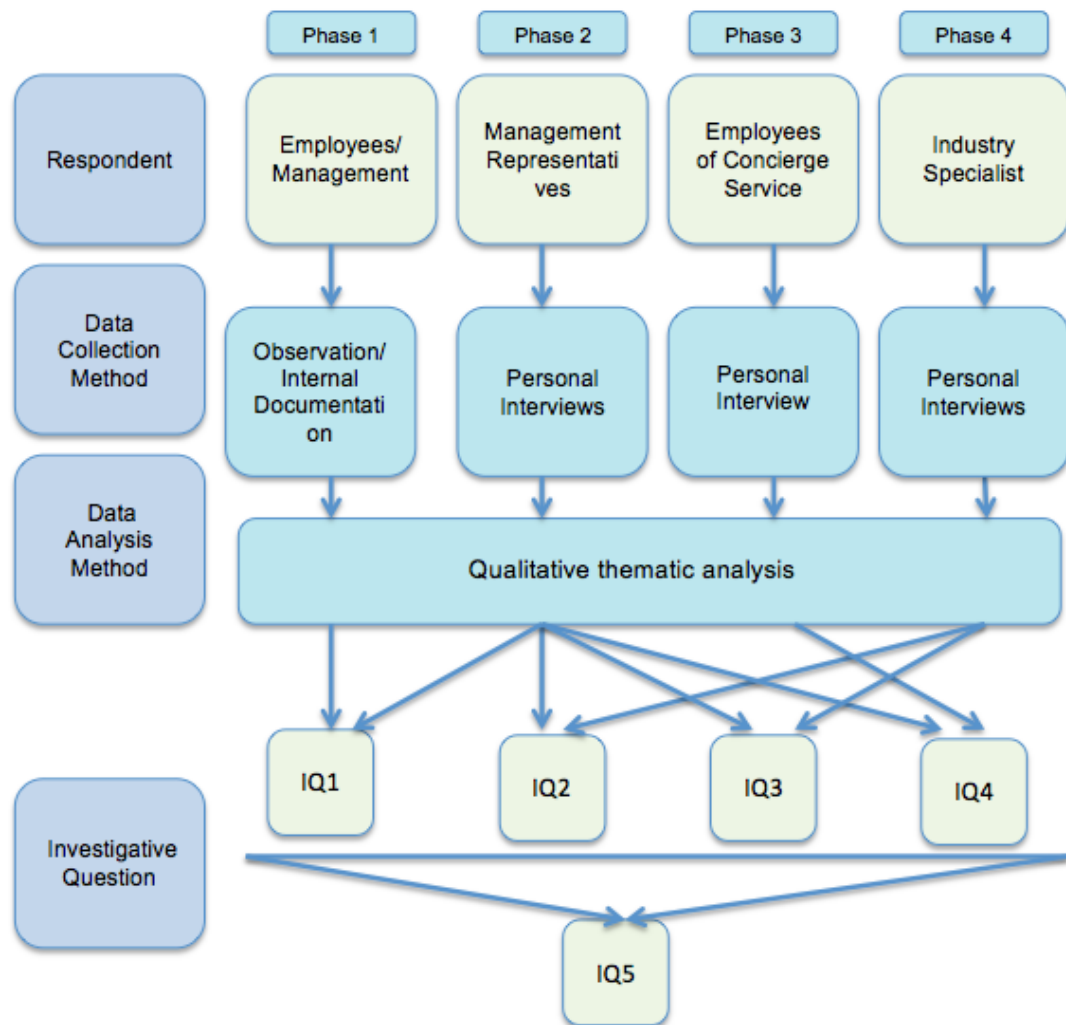


Figure 4. Research Methods

Figure 4 gives a general overview of the research process. During the Phase 1 of the research the researcher's goal was to find relevant data to answer the Investigative Question 1. The observation and internal company's documentation were used, and then analyzed. Observation method gives an opportunity to get an insight on business operations of the company from insight, which provides a new view perspective for the research. Researcher's goal for observation was to independently observe the level of service implemented, service features and encounters and the process of communication with clients. It was essential for the researcher to get an insight on how the service is implemented and

how clients' orders are managed and implemented in order to develop a deeper understanding of the topic before conducting semi-structured personal interviews. Observation happened during the 5 working days during the period 10.03.2016-16.03.2016, which was an appropriate timing to reach the defined goal. Additionally, such secondary data as company's internal reports (the Concierge Service internal regulations and the Concierge Service performance indicators internal report) are used in the research process.

Personal semi-structured interviews were used in Phases 2-4 of the research. Interviewing was the main method of data collection in this research. Semi-structured personal interviews allowed the researcher to be flexible during the interviewing and create a comfortable and vibrant atmosphere so that to ensure receiving reliable data. Interview questions (Appendix 3) were developed based on such theoretical tools as the SERQUAL questionnaire, Total perceived quality framework and the Gaps model, discussed in the theoretical part of the thesis.

During the Phase 2 the researcher's goal was to get the data regarding the Investigative Questions 1-4. The researcher interviewed 2 key managers of the Concierge Services. During the Phase 3 the focus of the research was on Investigative Question 4. The researcher interviewed 2 employees of the Concierge Service. During the Phase 4 the Investigative Questions 2 and 3 were studied, and the interview with the industry expert was implemented. Table 2 presents the data regarding the interviewees, interview dates and timing. All interviews were recorded so that to ensure that no data is missed during the analysis. The qualitative thematic analysis of data was implemented. Finally, the results from observation, internal documentation and interviews, were critically reviewed and the recommendations (Investigative Question 5) for the client party were developed.

Table 2. Interviewees

Interviewee	Position	Date & Timing	Investigative Focus
Ms. K.M.	Concierge Service Manager	17.03.2016 (1 hour)	IQs 1,2,3,4,5
Ms. V.R.	Concierge Service Employee	17.03.2016 (1 hour)	IQs 4, 5
Mr. K. M.	Industry Specialist/Personal Manager of Private Banking clients	18.03.2016 (1 hour)	IQ 2, 3
Mr. D. L.	Concierge Service Manager	18.03.2016 (1 hour)	IQs 1,2,3,4,5
Ms. V.Y.	Concierge Service Employee	18.03.2016 (1,5 hour)	IQs 4, 5

Interviews took place in the Bank's X headquarters on the indicated in the Table 2 dates, each interview lasted 1-1,5 hour. The choice of the interviewees (Table 2) is related to the demarcated area of the research, which focuses on the service quality perception from the managerial perspective only. The researcher selected to conduct the research with this specific managerial focus due to several reasons:

- Concierge service's client segment and the nature of the concierge service are highly intimate. Communication with clients is done mostly via telephone or online channels and must be as concise as possible. Therefore, due to the primary focus of research and the complexity of reaching out the clients, they were excluded as a potential group for primary data collection.
- Concierge service is an intriguing new industry, which is not widely spread yet on the Russian market, and especially in banking. Basically, there is no exact analogue to the concierge service department on the Saint Petersburg's banking market among similar sized and bigger competing banks.
- Personal interest of the researcher to investigate the strategic perspective on managing the service and the customers and interest in the management in the industry, which is targeted for the affluent market.
- Personal connections of the researcher, which made the research possible in the highly private environment of banking and concierge service for affluent clients.

5 Results

5.1 Concierge Service standards

In this chapter Investigative Question 1 is answered and the Concierge Service standards and strategy are discussed.

Standards and guidelines for employees are renewed on regular basis, based on the on-going experience of communication with clients and partners. Main topics covered in the internal service standards for the concierge service employees and managers were: communication with partners, bookkeeping of orders, regulations for incoming calls to Concierge Service, visitors reception management, regulations on correspondence with clients, regulations on marketing data communication among clients and employees of Bank, regulations on managing orders for Concierge Service, regulations on clients invitation to events, regulations on orders related to tourism and tickets, regulations on bookkeeping, regulations on employee's actions in special situations (Concierge Service internal regulations report, 2016).

From the managerial perspective on concierge service standards, one of the crucial features of the Concierge Service is knowing and understanding every client: "when the client calls we must already know what he expects/what he wants based on the previous collaborations with him". If the client is new the relevant information about client's expectations can be derived from his Personal Manager and from his relationship with the bank. The "good car" or "5 star hotel" is a different concept in the perception of different people even if they have the same earnings/disposable income. In the very first order the offer of several options is made, so the customer should select from a given list, and then the Concierge Service knows what the customer wants. One of the guidelines for concierge service employees is to ask the client few questions regarding his order, even if the client does not specify what he wants (e.g. "Rent a good car for me"). (Ms. K.M. 17.03.2016.)

As the Concierge Service operates heavily through its partners in different industries on different markets, the selection of the right partners, who comply to the Concierge Service's standards is highly important.

Since 2011 the Concierge Service of Bank X managed to develop a reputation in Saint Petersburg on the market of potential partners, and these days some companies contact the Concierge Service department directly with an offer for collaboration and partnership. The Concierge Service also now have direct access to major travel tour providers, so that

to ensure best options for its clients. Also, the smaller chain of intermediaries between the Concierge Service and the client is potentially better for sustaining service quality. (Ms. K.M. 17.03.2016.)

Orders related to tourism and travelling are implemented mostly through partners, which are selected by the concierge service managers personally, often through relevant professional exhibitions, for example, “Luxury Travel Mart” held in Moscow. A potential partner needs to possess at least such characteristics as high level of service quality (for example, operate with the relevant hotel segment, speed (e.g. to be able to work on weekends), flexibility (e.g. to be able to create highly-customized tours for the client; to be able to help the client in any potential complicated situation), deep level of expertise (e.g. highly-focused expertise on a particular area).

Additionally, it is vital that the partner is not only focused on serving the most complicated and expensive tours, but also the partner has to be able to provide the same level of service and customization to any client and any order (even not highly-sophisticated one). These is particularly important for the Concierge Service management, as the Concierge Service’s strategy is on building long-term relationships with a client, not making profits from the scale (large number of non-returning customers). It happens, that the client makes a small order, which will not bring high commission, if any, but if he is satisfied and delighted with the service he/she is provided, he may return soon and make a big order with profitable commission. Additionally, it is highly possible that the client will spread a positive word-of-mouth, and will bring his friends/acquaintances as the new clients for the company. “Today the client can order for 100\$, tomorrow he will order for 10.000\$ and bring a friend to order too ”. (Mr. D. L. 18.03.2016.) Some potential partner companies may be intrigued in the beginning by the partnership with the Concierge Service due to the anticipated high profit margins coming from profitable orders, however, not all potential partners are able to sustain the same level of quality and enthusiasm in their work, when profit margins from a particular order do not seem high enough for them. (Mr. D. L. 18.03.2016.)

5.2 Customer characteristics and expectations

This section answers the Investigative Question 2 regarding the managerial view on the customer expectations of the service quality.

Concierge Service has the following clientele groups: Ultra High Net Worth Individuals (UHNWI), High Net Worth Individuals (HNWI) and Mass Affluent (MA). UHNWI usually

operate in Russia and abroad. The scope of their operations is wider, they make more orders on private aviation, hotels, and conference rooms/events. Even though, they make fewer orders in general, the margin that comes from these orders is bigger. HNWI tend to have their operating area located within Russia (both Saint Petersburg and Moscow), therefore, the scope of their orders is mostly related to these two cities. They make more orders than UHNWI, but the scope and complexity of these orders may vary. Mass Affluent segment makes its orders are generally related to events and travelling. Usually, they make moderate amount of non-complex orders. (Mr. K.M. 18.03.2016.)

Industry expert suggested that frequency with which the client is making the orders is based on the need for the service. While the need arises when the client has the opportunity to spend money. Therefore, the disposable income of the client is in direct relation with orders (their number and their sophistication). (Mr. K.M. 18.03.2016.)

The managers also identify several other reasons for the clients' need to use the Concierge Service:

- Clients use the Concierge Service as a status & image element. They can do the ordered activities on their own, but it is not just "their level".
- Clients use the Concierge Service for time-saving. They have more important issues to deal with.
- Clients want to benefit from the Concierge Service's expertise in some areas.
- Clients want to get access to special products/services, which are not available so easily/or at all in the mass market. (Ms. K.M. 17.03.2016.)

Clients tend to have different reasons and needs for using the Concierge Service, and in the same way they tend to have different perceptions and expectations regarding the service. It is important for the management to acknowledge that clients have different perceptions of service quality and service elements. Clients generally expect the service to be fast and effective. Some clients can be more demanding to deal with. It can happen that they change their mind from their initial order and expect to get something different from what they requested. In this situation the Concierge Service team should try their best to fix the situation and provide a fast solution to the case.

Clients want service employees to be attentive to details and to the client's personality. One of the peculiarities of this customer segment is in the fact that the client not indicate the exact budget for the order (e.g. a hotel) in most of cases, which makes the work more complicated, as the company has either to know 100% from previous experience with the client what exactly he wants, or the company has to find out this data either without the client knowing it, or directly with the client in a very soft and gentle way. (Ms. K.M. 17.03.2016.)

Both managers and employees agree on the fact that if the communication gap between the client and the Concierge Service employee or manager occurs, means that the client is most likely the new client of the Concierge Service and his/hers perceptions are not yet well understood by the Concierge Service. The Concierge Service team tries to fix the situation immediately if come misunderstanding occurs. For example in a hotel, if the client reports about dissatisfaction immediately, then there is a chance to change the location, provide complimentary service and create a good impression on a client. However, misunderstandings are rare if the client continue to use the Concierge Service for an extended period of time. (Ms. V.R. 17.03.2016.)

The customers are often satisfied with the service when their expectations are exceeded. For example, if a client requests to book a hotel, he/she normally expects the publicly available price on the hotel's website or Booking.com (hotel booking website), however, due to exclusive partners the Concierge Service has, the price offered to the client tends to be slightly or moderately lower than the price publicly available online. (Ms. V. Y. 18.03.2016.)

The Concierge Service marketing activities have an influence on formation customers' expectations. The information about the Concierge Service is spread through the Personal Managers of clients within Private Banking to attract new clients, as well as through catalogues. The Personal Manager is educated about the Concierge Service activities well enough to introduce it to the client, and provide real-case examples of the typology of the services that can be implemented. If the client requires more information immediately, the Concierge Service manager can be invited to make a more detailed introduction of the Concierge Service. As for the catalogues, the information about the potential requests that the Concierge Service deals with, is about the orders that are included in general practices of the concierge service, so the service quality will be delivered as promise without any gap. (Ms. V. R. 17.03.2016.)

Also, the Private Banking clients have an option to order once-in-a-time Concierge Service, if they need to, and often these leads to clients joining the service package on yearly term, as they see how the service works, and develop the positive attitude towards it. Some clients form their expectation based on the general service level in the Private Banking of the Bank X, and expect to get the same service level in any service operation under the name Bank X (image factor). (Ms. V. R. 17.03.2016.)

Considering the forces that shape the "expected service" quality level, the previous experience of using the Concierge Service is a significant influencing factor forming the client's

expectations, as the Concierge Service focuses on the long-term collaboration with clients. Word of mouth and marketing communication are important factors for the client to acquire the Concierge Service membership, however, the real service experience is crucial for the client to continue to use the service regularly (and renewing the service package year after year) or terminate the use (while still owning the service package).

5.3 Concierge Service experience

This subchapter is related to Investigative Question 3 and describes how the managers perceive the customer experience of the Concierge Service.

All the lifestyle requirements of the client must be understood to provide him with a decent service. The client may contact the Concierge Service 5-6 times a day with different orders. The Concierge Service employees should know which method is the best for contacting the client, when to contact him/her (for example, what time is his/her business meeting this day etc.). "Our clients want to be recognized in face, their preferences, habits, daily schedule should be deeply understood" (Ms. K. M. 17.03.2016). In most of cases the clients prefer to contact the Concierge Service remotely. (Ms. V. Y. 18.03.2016.)

"The aim is to go beyond client's expectations. With the most loyal and frequent clients, the Concierge Service team can provide maximum service quality with minimum information being requested from the client." (Ms. V. Y. 18.03.2016.)

Communication with clients is done by phone or online (through mobile applications for instant messaging WhatsApp and Viber). In order to avoid misunderstandings in communication, the Concierge Service employee sends an instant message to the client for his approval. For example, if the client ordered the airplane tickets, the Concierge Service employee requests a confirmation from him/her of the date, destination, price before making a purchase on client's behalf. This is normally done through instant message for the client's convenience. (Ms. V.R & Ms. V. Y. 17-18.03.2016.)

The process of communication with the client can become more complicated if the client prefers to deal with the Concierge Service through personal assistant, who in these cases becomes an intermediary between the client and the Concierge Service employee. Communication gaps can occur in this case (Ms. V.Y. 18.03.2016).

A great part of actual service is implemented and delivered to the client through the Concierge Service partners, therefore partners selection and communication with them (discussed in chapter 5.1) plays a significant role.

5.4 Importance of customer satisfaction

This section is referred to Investigative Question 4 and describes the importance of the customer satisfaction with the Concierge Service and its relationship to customer loyalty with the Private Banking of the Bank X.

The clients' satisfaction is based on the following characteristics of the service:

- Convenient (working hours, communication)
- Qualification of personnel and ability to provide personalized service
- Workload of personnel (Concierge Service operates independently from Private Banking financial services and focuses only on lifestyle requests of the client)
- Communication with client and understanding what the client wants (Ms. K.M. 17.03.2016).

If negative emotions/dissatisfaction occurs, the company tries to figure out the details in every single case and "be on the client's side"—return the money if possible and provide additional benefits for this clients in the future so that to soften his/her attitude. For example, provide these (and other) clients with events opportunities (organized by the Bank or Bank's partners) to support their satisfaction and loyalty.

Personal manager can be considered by the client to be the one more responsible on personal finance, while some of the clients tend to have more personal relationships with Concierge Service managers regarding their personal life and travelling. Clients cannot be satisfied 100% as everybody has a different quality understanding and expectations, but the Concierge Service tries to maximize the client's satisfaction. (Ms. K.M. 17.03.2016.)

Often "dissatisfaction" may be referred to the general client's communication style. Also, it can be a "human factor", when the client means one things, but says the other, and a communication gap between the client and service employee occurs. The client may seem dissatisfied and touchy about the details, however, he/she will continue using the service, and will refer to other people very positively about it. The Concierge Service employees have general guidelines for acting in complicated situations, they have to be polite, be able to handle the situation and be highly tolerant. Additionally, it is important to

double-check the information from the client when possible (e.g. through instant messages), so that to avoid mistakes in the service. New clients can be especially difficult to manage until they are “understood”. Fast reaction of the Concierge Service employees is especially important with them. (Mr. D. L. 18.03.2016.)

Satisfied clients return and use the service regularly. The Concierge Service employees do not normally call back on to ask about clients’ satisfaction on small orders. Sophisticated, highly customized orders can be an exception. Satisfaction surveys are normally not applied due to the specifics of the client. It is considered that it is better not to intervene in any way into the client’s life. (Ms. V2. 18.03.2016.) In some cases, when the client comes to the Private Banking, he/she may share his personal opinion on the Concierge Service with his Personal Manager in the private talk (Mr. K. 18.03.2016).

If the client owns the Concierge Service package but stops using the service, the call can be made after some time to find out the reason for the termination and/or to invite him/her to use the service. Previously, the client “loss” was due to changes in clients’ professional life (e.g. the client was assigned a personal assistant, who could implement a similar work as the Concierge Service does) or the changes in client’s financial state. (Ms. V. Y. 18.03.2016.)

The origins of the Concierge Service concept in the Bank X were primarily to support the loyalty of the Private Banking clients: to go beyond the traditional financial services and offer personalized lifestyle service, so that to fully integrate all spheres of the client’s life with the Bank X.

Some of the clients used to be clients of the competing concierge services companies. However, even the affluent customer group tends to be price-savvy. Some of the clients used to be users of Vertu Concierge, which has expensive yearly subscription fees. Another competitor -Quintessentially Group- was characterized as expensive (1,500\$-45,000\$ yearly) and lacking personalization the client wants, compared to Private Banking the service package that includes both financial services and the Concierge Service option (660\$-1000\$ yearly), while the clients receive the service level they want. (Kassel 8 March 2012.)

Additionally, with the most frequent and loyal clients, the Concierge Service employees take orders not only from the client personally, but also from his/her personal assistant, his/her close family members, and they can cooperate with his/her personal drivers if ap-

plicable (e.g. in deliveries). This way of operations is highly customized for the clients' convenience.

In banking industry there are no other banks of similar size and reputation of the Bank X, that offer the same concept of the "boutique" concierge services, however, the Bank VTB24 PJSC offers a similar service "Family Office", which in VTB24's Private banking scale relates to the highest level of the available service packages, which provides all kind of consultancy services the client wants, mostly related to finance and investing, but also to lifestyle. (Mr. K. 18.03.2016.)

Depending on the credit card of the client, some financial companies (such as Mastercard or Visa) offer their cardholders their own concierge service or other international concierge service provided by a partner company. However, these services lack personalization, tend to be time-consuming, and often do not have the Russian- speaking service employees, who can additionally better understand the client from the cultural perspective. (Mr. K. 18.03.2016.)

International concierge service companies generally have lower speed of implementation of the order. Most of companies take at least 24 hours to process the request and offer the client possible solutions (for example, relevant travel tour offers). In contrast, the Concierge Service of the Bank X makes the first offer to the client after 3-4 hours during the operation hours. (Mr. D. L. 18.03.2016.)

Overall, the Concierge Service team does their best to meet every client expectations through building long-lasting relations with him/her and developing the understanding of the client's perceptions and expectations. They try to deliver the high quality service for both small and large-scale orders and also go beyond the customer expectations. Some specific features of the Concierge Service in the Bank X make the customer especially satisfied and loyal to the Service, except the decent quality. These features include high level of customization and personalization compared to other concierge service companies, the speed of service implementation, personal relations with the Concierge Service team and Private Banking managers of the Bank X and ultimately the price of the service package, which includes both financial and non-financial service options.

5.5 Development Opportunities

This subchapter provides the view on the development opportunities (Investigative Question 5) for the concierge service and recommendations for the commissioning party.

These opportunities were identified based during the research process. Development recommendations were developed based on the discussion with interviewees, observation and secondary data analysis.

Expansion of the regular client base can be an opportunity for the Concierge Service to support its strategic goal: develop Private Banking client's loyalty to the Bank X, improve profitability and continue building its expertise and service strategy through new service orders. This expansion can be arranged through the existing customer base: clients who own the Concierge Service package but do not use it (37 clients according to the Figure 8). Some clients acquire the package, which includes the Concierge Service only for the sake of using the Private Banking financial services. Then, for some reason they are not using the Concierge Service, even though they own the right to use it. The reason for non-using the Concierge Service should be investigated through the Personal Manager or by contacting the client directly. It is possible that the developments in the Concierge Service marketing communication are needed for some clients, so that they understand the benefits of using the Concierge Service and develop right perceptions towards it.

The Concierge Service can attract new clients in its traditional way through Personal managers, who introduce the Concierge Service option to the clients when they choose their yearly service package (about 900 potential clients can be reached this way). Also, Clients can be reached through the corporate clients (companies) who use the Bank to pay out salaries to their employees. The top management of these companies can be potential VIP customers for Private banking and for the Concierge Service (Ms. K.M. 17.03.2016).

Improvements in service tangibles can lead to service quality improvement. One of the proposed potential improvements is the development of the separate CRM system for the Concierge Service work. Today, the Concierge Service uses partially the Private Banking's CRM system, while their operations and information are also organized and stored in traditional way using the Office programs. It would be beneficial to apply a specifically designed CRM system for the Concierge Service, so that it will be easier for employees and management to access information and communicate internally and with the client.

Renewal of technical improvement will be helpful (Ms K.M. 17.03.2016). The Concierge Service's employees use the traditional phone, computer and iPhone for communication with clients: optimization of phone and computer (CRM) (e.g. for calling) can be an option so that the process of employees' work can be smooth and less hectic.

The informational promotional leaflet for the clients is released every 2 weeks, and is sent to them via email. This leaflet includes the information about the coming events and occasions, which might interest the client. It includes a variety of unique and exclusive offers in tourism, aviation, fashion & art products. The employees and managers of concierge service select all the offers that are included in the leaflet, so the leaflet contains valuable and useful information for the client. The aim pursued with the leaflet is to keep clients aware of the Concierge Service opportunities, as well as to suggest them potential ideas for their orders. The leaflet is sent through the CRM system of Private Banking to the clients' personal emails. Often clients refer to the leaflet when making their orders.

Stimulation the client to use the service by providing him with relevant promotional information is common for the international concierge service companies. However, several concierge companies introduced a mobile application for this purpose. The client can access the relevant promotional information through the mobile app, which is more convenient than the leaflet. As most of the clients of the Concierge Service in Bank X are active users of smartphones and mobile applications, they may enjoy the new way to receive information from the Concierge Service team. So, the international innovative practice of the mobile application can be applied here.

Also, the mobile application can solve the issue of feedback collection from the clients. As it was discovered during the research process, it is difficult for the Concierge Service team to gather the feedback from the client due to the specifics of communication of this client segment. Mobile application can have the function of the immediate feedback based on "like/dislike" or 1-5 ranking system, which will take a few seconds for the client to fill in. After the service/order is implemented/delivered, the application will automatically notify the client about it and will offer to rank the service quality. These can help the Concierge Service team to measure the clients' satisfaction, especially in relation to the small or medium-sized orders, which are not regularly reviewed after their implementation. Additionally, the payment option for the service can be integrated in this mobile app, so it will be more convenient for the client to pay for the service, instead of using a separate online banking application.

Even though it is common for the international concierge service companies to operate 24 hours, this practice is not needed in the Concierge Service of the Bank X. The Concierge Service operates 365 days a year, from 9 am to 9 pm in Russian time. According to all interviewees, there are very few occasions when clients may want to make orders not within this time frame. In some specific cases related to the client's stay abroad, they may use the manager's personal phone numbers. The client may send the email/instant message (or through the potential mobile application) any time and will receive the answer during the service operating hours.

Knowledge, expertise and service skills of employees should be continuously improved. The management of the Concierge Service understands the importance of professional development especially within this industry and client group, and regularly organizes the trainings for management and employees of the Concierge Service as well as Private Banking managers through trainings on business etiquette, luxury management, time-management, acting skills etc. The training on business etiquette for phone communication is planned for the Concierge Service employees. (Ms. K.M. 17.03.2016.)

Based on observation and communication with employees, one more Concierge Service employee can be recommended to join the Concierge Service team. It will be beneficial to share the workload and avoid the situations when there is only one employee left for a long time when another employee and/or managers are on leave for some reason. (Ms. V.R. 17.03.2016.) The employee should be knowledgeable about the industry and specifics of working with this client segment. It will ease the workload, which appears in some tense situations. (Ms. V.Y. 18.03.2016.)

Other future developments may include gaining expertise in new service areas, such as medical services abroad or help in selection of home personnel. There is a need to continue building partnerships with reliable experts in tourism and other spheres and ensure transparent and easy communication with them, so that to minimize the potential gap between the Concierge Service standards and requirements and the actual service implemented and delivered to the client by the partners.

6 Discussion

6.1 Key Findings

The Concierge Service in the Bank X has the specific strategic function to strengthen Bank's clients' loyalty through non-financial services. Therefore, it is essential for the Concierge Service department to ensure high quality service experience for its clients, so that to keep them satisfied and loyal to the Bank X. The potential competing companies in the concierge service industry exist, however the clients of the Concierge Service at Bank X enjoy the following benefits: highly customized service, highly level of personalization, fast speed of implementation and price of the service package.

In order to ensure high quality service, the Concierge Service introduced the specific service standards for its employees, which are renewed on regular basis due to the developing expertise of the department. Service quality standards must be complied not only by the Concierge Service employees, but also by its partner companies. In fact, the second most requested order type in 2015 was related to tourism (14%). Tourism orders were mostly related to the organization of individual highly customized travel tours or business trips. This type of orders is most often implemented with the help of partner companies. For this reason, Concierge Service managers pay significant attention to selection of partners and to their abilities to comply with the Concierge Service quality standards, as these partners perform the intermediary function and are delegated to represent the Concierge Service and the Bank X to the client. Therefore, the client perceives the service delivered by the intermediary company as the one delivered by the Concierge Service.

The Concierge Service works for the clients of the Private banking department of the Bank X, who own the right to use the service. All clients are representatives of the affluent customer segment, nevertheless, their needs and service requests vary based on their income, lifestyle and personal preferences. It is essential for the Concierge Service team to understand every client, his/her needs and preferences, as all clients have different perceptions and expectations. They require highly customized service and individual attention. Long-term relationships with a client are specifically important, as the needs and expectations of clients, who use the service often, are then deeply understood by the Concierge Service team, and therefore the service is provided in the best possible way without any misunderstandings (gaps) between the Concierge Service team and the client. Communication with the client is usually conducted in remote way with the help of phone, email or instant messages. There are certain opportunities for improvement related to this fact.

Customer satisfaction is not always supposed to lead to customer loyalty, but in the case of the Concierge Service, it is the ultimate strategic goal: to make the customer satisfied with the Concierge Service, so that he/she starts to use it often. Then the client will get attached to the Bank X not only because of traditional financial services, but also because of non-financial life-style related services (the Concierge Service). The research helped to identify the current issue with measuring the clients' satisfaction with the service. As the affluent client segment in Russia has very intimate nature, the management of the Concierge Service prefers not to intervene in their clients' life by collecting the feedback from them. However, the regular feedback from clients can help to develop the service quality, boost clients' satisfaction and potentially attract more clients to use the service. Therefore one of the development recommendations for the client company is to find the way to collect the feedback from their clients (for example, through the development of the mobile application).

As the Concierge Service is a new concept in the Banking industry, there are several other opportunities for improvement that were suggested to the management. These opportunities include possible expansion of the client base of the Concierge Service to support its strategic function; optimization of the service tangibles (CRM, phone and computers); ensuring continuous employees' and managers' expertise development; gaining expertise in new service order areas and the potential for hiring one more service employee.

These development recommendations can be implemented in the reality, as some of them were developed through the discussion with the employees and managers, who acknowledge the current issues that the department has. The Concierge Service department is open for positive changes and is looking forward to develop their operations through the recommendations proposed in this research.

6.2 Evaluation of Research

This chapter discusses the validity and reliability of the research findings, the way they were ensured and the certain challenges that occurred during the research.

The research design and methods discussed in chapter 4 were chosen as the most relevant and suitable to the case study. Initially observation gave the researcher an insight into the company and its way of operating. Observation was undoubtedly useful tool for the researcher, and its main goal was to provide the researcher with understanding of the company and employees' work from the insight, in order to ease the following interviewing

process. The presence of the researcher should not make any impact on the employees' and managers' work, as employees did not specifically know what patterns they were observed for and in general the attitude towards the researcher was quite relaxed and flexible due to the special status of the researcher (personal connections) mentioned earlier. The status of the researcher also gives grounds to believe that data collected through interviews was reliable.

Qualitative personal interviews with the management and other related people (employees, industry expert) of the case company were held in a very smooth way with sufficient timing, so that to ensure that all relevant data is collected. Interviews were semi-structured, which allowed the active and flexible dialogue and fruitful discussion to happen.

The qualitative research can be seen as subjective in its nature. In this study the goal was to provide the commissioning party an external view on their operations and suggest the development opportunities for the Concierge Service. The commissioning party is basically one of the primary readers and users of the study. Therefore, that was in the interests of the company to provide clear and transparent data during the research. In the evaluation of the researcher, the commissioning party provided transparent, reliable and detailed information for the research purposes.

There were certain challenges related to the focus of the research (managerial perspective) as the opinion of the managers and employees on the customer service quality and their clients satisfaction can be seen in some cases as subjunctive. Nevertheless, this focus helped to identify new opportunities and develop the potential recommendations for the management. Additionally, there is a room for further research in the field of service quality and customer satisfaction with the focus on affluent customer segment. The case company specifically can conduct the further research on clients' satisfaction. The company can apply one of the recommendations discussed in chapter 5.5 to conduct the further research.

6.3 Personal Learning

During the process the researcher had an opportunity to understand the research conducting and writing process, which is extensively used in the academic world. The researcher learnt the traditional research paper framework and ways of working with it. Also, the researcher developed analytical and critical thinking skills while working on the theoretical and empirical parts of the research. Communication with the commissioning

party and thesis supervisor greatly boosted the researcher's personal learning of the industry and of the research implementation, as well as helped the researcher to strengthen communication and negotiation skills. The researcher found the thesis writing process challenging and engaging. The research required the researcher a lot of concentration and endurance during the whole process.

The thesis writing process was a great chance for the researcher to practice planning and conducting long-term individual project. Also, the researcher learnt about personal strengths and weaknesses as an individual worker, which provided grounds for further self-development as a professional. In researcher's opinion, the combination of time-management, detail-orientation and result-orientation is essential for successful thesis implementation.

through the theoretical literature review the researcher managed to acquire deep understanding of such topics as service quality, customer experience, satisfaction and loyalty as well as the affluent customer concept. In researcher's opinion, learning of this themes through the thesis work supports the researcher's knowledge within the chosen specialization at Haaga-Helia UAS (Global Customer Relationship Management and Communication). Also, during the thesis process the researcher applied relevant skills and knowledge gained during the Bachelor studies, as the thesis work was the final work for the researcher under the Bachelor's Degree.

Overall, the researcher gained and developed the research implementation skills, research writing skills, critical thinking, time-management skills and project management skills. The researcher developed the understanding of several theoretical topics and their practical application, which is beneficial for the researcher's working life and further studies.

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Appendices

Appendix 1. Overlay matrix

Investigative question	Theoretical Framework*	Research Methods	Results
IQ 1. What are service quality standards and strategy in the Bank's Concierge Service?	<ul style="list-style-type: none"> Service quality concept (chapter 2) Service quality framework (chapter 2.1) SERQUAL model (chapter 2.1) 	<ul style="list-style-type: none"> Interview with the management of the concierge services Observation Internal documentation 	Data on why the concierge service of the Bank X is one its competitive advantages; concierge service's quality standards and their application (chapter 5.1)
IQ2. What is the Bank's managerial perception of the customer expectations of service?	<ul style="list-style-type: none"> The Gaps model (chapter 2.1) Affluent customer concept (chapter 3) Customer expectations (chapter 2.2) 	<ul style="list-style-type: none"> Interview with the management of the concierge services Interview with industry specialist 	Data on what is the motivators of the clients of the Bank X to use concierge services and how managers perceive clients' expectations of the service (chapter 5.2)
IQ 3. How Bank's managers perceive customer service experience?	<ul style="list-style-type: none"> The Gaps model (chapter 2.1) Affluent customer concept (chapter 3) Service experience (chapter 2.3) 	<ul style="list-style-type: none"> Interviewing management and industry specialist 	Data on what affects the experience of concierge service, as well as what affects the quality of the service (chapter 5.3)
IQ 4. How customer satisfaction with the Concierge Service quality influences customer loyalty with the Bank X?	<ul style="list-style-type: none"> Customer satisfaction (chapter 2.4) Customer loyalty (chapter 2.5) 	<ul style="list-style-type: none"> Interviewing management and employees of the Concierge Service 	Data on how management perceives the importance of customer satisfaction and its relation to customer loyalty in this research case (chapter 5.4)
IQ 5. What are the development opportunities for the Concierge Service of the Bank X?	<ul style="list-style-type: none"> All theories above are relevant 	<ul style="list-style-type: none"> All research approaches used 	Recommendations for the client party on what to improve in concierge service quality and general management practices (chapter 5.5)

Appendix 2. SERQUAL questionnaire battery

Reliability Dimension
1. Providing services as promised.
2. Dependability in handling customer's service problems.
3. Performing services right the first time.
4. Providing services at the promised time.
5. Maintaining error-free records.
Responsiveness Dimension
6. Keeping customers informed about when services will be performed.
7. Prompt service to customers.
8. Willingness to help customers.
9. Readiness to respond to customers' requests.
Assurance Dimension
10. Employees who instill confidence in customers.
11. Making customers feel safe in their transactions.
12. Employees who are consistently courteous.
13. Employees who have the knowledge to answer customer questions.
Empathy Dimension
14. Giving customers individual attention.
15. Employees who deal with customers in a caring fashion.
16. Having the customers' best interests at heart.
17. Employees who understand the needs of their customers.
18. Convenient business hours.
Tangibles Dimension
19. Modern equipment.
20. Visually appealing facilities.
21. Employees who have a neat, professional appearance.
22. Visually appealing materials associated with the service.

Source: Bruhn & Georgi 2006, 65

Appendix 3. Semi-structured Interview Questions

1. How well service standards are implemented and complied with in the service process?
2. Does the service quality meet the service quality standards?
3. Do you have a clear understanding of your clients' expectations? What or who mostly affects the clients' expectations formation?
4. What are the specifics of communication with your client segment?
5. Do clients think that the received service meets the expected service quality level?
6. How do you measure your clients' satisfaction? Is this indicator important for your work?
7. How do you manage dissatisfied clients? What are the main reasons of their dissatisfaction? Are these reasons related to overpromising and client's too high expectations?
8. Does dissatisfaction affect clients' loyalty?
9. What do you do to exceed clients' expectations?
10. Do communication gaps between managers and employees occur, in your opinion?
11. Do communications gaps occur between you and the client? How do you manage them?
12. Do communications gaps occur between you and your partners? How do you manage them?
13. Do you plan on expanding your client base?
14. Do you know whether your clients use other concierge services?
15. Do you benchmark your activities with industry competitors and their practices?
16. What in your opinion can be developed in concierge service department, concierge service implementation process, and service quality?